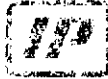
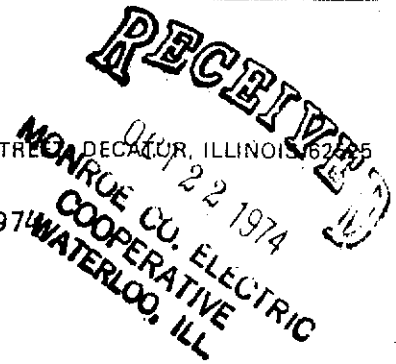


ILLINOIS POWER COMPANY



500 SOUTH 27TH STREET, DECATUR, ILLINOIS 62525

October 21, 1974



Mr. LeRoy V. Hard, Manager
 Monroe County Electric Cooperative, Inc.
 P. O. Box 128
 Waterloo, Illinois 62298

Dear LeRoy:

In response to our telephone conversation, Friday, October 18th, I have provided the following explanation of the large load and large line corridor provisions.

1500 kW Large Load Provision

Since it is impossible to determine which party will have rights to serve future large loads at the time a service area is negotiated, the 1500 kW clause, provides a method to make such determination. The 1500 kW provision applies to both parties. As an example, if a 1500 kW new load were to locate within Illinois Power's service area shown on Exhibit 1, we would be required to notify Monroe of this load. The same procedure would apply if such a load were to locate in Monroe's service area. This provision, in no way, implies that all loads above 1500 kW will be served by Illinois Power. This 1500 kW provision essentially is a gentleman's agreement to keep the other party informed of new loads above 1500 kW and sit down and discuss which party has rights to provide service based on the provisions of the Electric Suppliers Act. Any agreement reached by the parties to serve a large load would be put in the form of an amendment to the Service Area Agreement and would require approval by the Illinois Commerce Commission. In no way, could either party be denied rights to serve loads which they are entitled under the provisions of the Electric Suppliers Act. This provision is a two-way street and is beneficial to both.

Large Line Corridor Provision

High voltage lines, 34.5 kV and above, which were in existence prior to the Electric Suppliers Act provide the party, who owns or has the right to use such lines, rights to serve future large loads from these facilities. In our existing Service Area Agreements with Cooperatives, we have not attempted to draw boundary lines around the high voltage lines. We recognize that a Cooperative having distribution lines in the same areas also has rights to loads. The large line corridor provision is basically a compromise. In the case of a 34.5 kV line, we agree that the Cooperative should serve all loads below 150 kW. This means that the Cooperative would have rights to all residential subdivisions, farms, and most commercial loads having a kW demand of 150 kW or less. Within the corridor of a 69 kV line, the Cooperative would have the right to serve all loads below 375 kW.


Within the corridor of 138 kV line, the Cooperative would serve all loads below 500 kW.

Both the 1500 kW and the large line corridor provisions are in previous agreements and have been accepted and approved by the Illinois Commerce Commission.

I trust this explanation meets with your approval. If you have further questions, please call or I would be happy to meet and discuss them with you.

Very truly yours,

ILLINOIS POWER COMPANY


M. A. Lauterjung
Elec. Cooperative & Farm Advisor

MAL/me

cc: H. C. Mees
B. L. Hantle P-10